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C O N F I D E N T I A L RANGOON 001567

SIPDIS

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E.O. 12958: DECL: 12/08/2007

TAGS: [EAID](#) [ECON](#) [BM](#) [UNDP](#)

SUBJECT: RAZALI HEARS THE SAME TUNE ON ECONOMY, UNDP

REF: A. RANGOON 1479

- [B](#). RANGOON 1219
- [C](#). RANGOON 1068
- [D](#). RANGOON 1069

Classified By: COM CARMEN MARTINEZ FOR REASONS 1.5 (B,D)

[1](#). (C) Summary: UN Special Envoy for Burma Razali Ismail, during his November visit to Rangoon, paid a call on the SPDC's Minister for National Planning and Economic Development, and focal point for SPDC-UN relations, U Soe Tha. As he did during Razali's previous visit in August, the Minister played Razali the same unbelievable tune: touting the country's economic progress, explaining the necessity of GOB "involvement" in UNDP programs, and justifying limiting Aung San Suu Kyi's access to UN project sites. End summary.

[2](#). (C) Post has recently obtained an official GOB readout of the meeting between the SPDC's economic planning czar U Soe Tha (the GOB focal point for UNDP and UNICEF projects in Burma) and Razali when he visited Rangoon in mid-November. During the brief meeting, Razali asked U Soe Tha about the sagging Burmese economy and for a progress report on the projects proposed by the UNDP for the fourth iteration of its Human Development Initiative (HDI-IV).

[3](#). (C) On the economy, U Soe Tha repeated almost verbatim his message from August, citing purported year-on-year double digit GDP growth rates thus far in FY 2002-03, an increase in exports resulting in a trade surplus, and an "improving" budgetary situation. He did admit that inflation was "slightly high," but said that "necessary measures" were being taken to reduce the inflation rate.

[4](#). (C) On the UNDP's HDI-IV projects, U Soe Tha told Razali that 6 of 7 proposed projects would likely get underway sometime this month. However, it is unclear whether these projects have actually been approved by the cabinet, or just by "concerned ministries." We also understand that the UNDP's planned agricultural sector review has gotten the nod. On a less encouraging note, the Minister repeated his August warning to Razali that "the GOB will be more involved in the HDI-IV than it was in the HDI-III." Once again, though, the Minister did not flesh out the details of this planned "involvement."

[5](#). (C) As he did in August, Razali expressed his concern that ASSK be allowed to visit and study HDI-IV program sites. U Soe Tha was unmoved, though, repeating his earlier reply that government approval was necessary if any "outsider" wished to study projects sites that were "the responsibility of government organizations."

[6](#). (C) Comment: Razali did not push U Soe Tha on the economy as much as in August, leading us to think that the Envoy is realizing that debating the finer points of economic reform with the witless Minister is a fool's errand. The regime is claiming that it is removing obstacles to the UNDP's HDI-IV programs. However, UNDP tells us that progress on this front has in fact been quite limited. Likewise, the repeated, but vague, threat of increased government attention to UNDP projects and the apparent continued official reluctance to allow ASSK access to aid project sites are of concern. End comment.  
Martinez